



Center for Medicaid and State Operations/Survey and Certification Group

Ref: S&C-04-14

DATE: December 11, 2003

TO: State Survey Agency Directors

FROM: Director
Survey and Certification Group

SUBJECT: Implementation of Critical Access Hospital Bed Size Increase

Letter Summary

- Statutory change effective January 1, 2004.
- Critical Access Hospitals will be permitted to increase the number of acute care beds to 25.

The Medicare Prescription Drug, Improvement, and Modernization Act of 2003 was enacted on December 8, 2003. This law contains a number of modifications to the statutory requirements for Critical Access Hospitals (CAHs).

Under the current law, CAHs are restricted to 15 acute-care beds and a total of 25 beds, if the CAH has been granted swing-bed approval. No more than 15 acute beds can be used at any one time.

The Medicare Modernization Act increases the allowable maximum number of beds to 25 regardless of swing-bed approval. As of January 1, 2004, any currently participating CAH, or applicant for CAH approval, may maintain up to 25 beds. If a swing-bed approval has been granted, all 25 beds can be used interchangeably for acute care or swing-bed services.

If you have any questions, please contact Marge Eddinger at (410) 786-0375 or via E-mail at Meddinger@cms.hhs.gov.

Effective Date: January 1, 2004

Training: This information should be distributed to all survey and certification staff, their managers, and the state/RO training coordinator.

/s/

Thomas E. Hamilton

cc: Survey and Certification Regional Office Management (G-5)